

RESOLUTION NO. 08-26

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF ITS INFRASTRUCTURE STATE REVOLVING FUND REVENUE BONDS, SERIES 2008 (THE "BONDS"), TO FINANCE THE COSTS OF CERTAIN PUBLIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

WHEREAS, the California Infrastructure and Economic Development Bank (the "Bank") is duly organized and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following), as now in effect and as it may be amended or supplemented (the "Act"), for the purpose of, among other things, providing financial assistance for the design, construction, financing and development of public development facilities (as such term is defined in the Act) (the "Public Development Facilities") located in the State of California (the "State"); and

WHEREAS, the Bank previously received State appropriations to finance local infrastructure projects and adopted criteria, priorities, and guidelines (the "Criteria") in order to clarify and make specific the requirements for obtaining financing as the Infrastructure State Revolving Fund Program (the "Program"); and

WHEREAS, the entire amount of appropriations has been awarded by the Bank board of directors ("Board") pursuant to the Program to local government entities (the "Borrowers") for Public Development Facilities in the form of leases, installment sale agreements, loan agreements and similar agreements (collectively, "Obligations"); and

WHEREAS, pursuant to the Act, Criteria and prior resolutions adopted by the Board, additional funds will be made available to local governmental entities by the issuance of revenue bonds in separate series in order to provide funds for Borrowers for Public Development Facilities; and

WHEREAS, all projects to be financed with bond proceeds will be Public Development Facilities; and

WHEREAS, the Bank desires to authorize the issuance of its Infrastructure State Revolving Fund Revenue Bonds, Series 2008 (the "Bonds"), in an aggregate principal amount not to exceed \$55,000,000 pursuant to a Series Indenture (the "Series Indenture") between the Bank and Wells Fargo Bank, National Association (the "Trustee"); and

WHEREAS, repayment of the Bonds will be secured by payments due from the Borrowers on the Obligations pledged to the Bonds and interest earnings thereon, and in order to further secure repayment of the Bonds and future series of bonds, the Bank has entered into a Master Indenture (the "Master Indenture"), dated as of March 1, 2004, between the Bank and the Trustee; and

WHEREAS, final approval of the terms of the issuance of the Bonds and certain documents relating thereto is now sought; and

WHEREAS, there is now on file with the Secretary of the Bank the following:

- (a) a proposed form of Series Indenture;
- (b) a proposed form of Purchase Contract with respect to the Bonds (the "Purchase Contract") to be entered into by and among the Bank, the Treasurer of the State of California and Stone & Youngberg LLC, as representative of itself and the other underwriters (the "Underwriters");
- (c) a proposed form of Official Statement with respect to the Bonds (the "Official Statement") to be used in connection with the sale of the Bonds; and
- (d) a proposed form of Continuing Disclosure Agreement with respect to the Bonds (the "Continuing Disclosure Agreement") to be entered into between the Bank and the Trustee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The form of the Series Indenture on file with the Secretary of the Bank is hereby approved, and the Executive Director and the Chair of the Bank or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Series Indenture to the Trustee, and the Secretary of the Bank is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Bank, such approval to be conclusively evidenced by the delivery thereof.

Section 2. The form of Purchase Contract on file with the Secretary of the Bank is hereby approved, and the Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Purchase Contract with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Bank, such approval to be conclusively evidenced by the delivery thereof. The Treasurer of the State of California is hereby authorized and requested to sell the Bonds, at any time within one hundred eighty (180) days of the adoption of this Resolution, at negotiated sale, at such price and at such initial interest rate as he may determine.

Section 3. The form of Official Statement on file with the Secretary of the Bank is hereby approved. The Underwriters are hereby authorized to distribute copies of the Official Statement in preliminary form in connection with the offering of the Bonds with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Bank, such approval to be conclusively evidenced by delivery thereof to the Underwriters. The preparation and delivery of the Official Statement in final form and its use by the Underwriters in connection with the sale of the Bonds is hereby approved. The final Official Statement shall be in the form of the preliminary Official Statement with such changes and insertions therein as may be necessary to cause the same to

carry out the intent of this Resolution and as are approved by counsel to the Bank, such approval to be conclusively evidenced by delivery thereof to the Underwriters. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized to distribute copies of the final Official Statement to the purchasers of the Bonds.

Section 4. The form of the Continuing Disclosure Agreement on file with the Secretary of the Bank is hereby approved, and the Executive Director and the Chair of the Bank or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Continuing Disclosure Agreement to the Trustee, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Bank, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Bank authorizes, empowers and directs the Executive Director and the Chair of the Bank or the Chair's designee, and each of them, acting alone, to negotiate with financial institutions and/or insurance companies, as applicable, and if the Executive Director of the Bank, with the advice of the Bank's financial advisor, determines that it is advantageous to the Bank, the Executive Director and the Chair of the Bank or the Chair's designee, and each of them, acting alone, are hereby authorized and directed to secure a surety bond or insurance policy, on such terms as the Executive Director, with the advice of the Bank's financial advisor, determines are appropriate, in order to insure the Bonds, and the Executive Director and the Chair of the Bank or the Chair's designee, and each of them, acting alone, are hereby authorized and directed to execute and deliver, and authorize any changes appropriate with respect to, all documents necessary in connection with such surety bond or insurance policy.

Section 6. The Bank approves the issuance of not to exceed \$55,000,000 aggregate principal amount of the Bonds in accordance with the terms of, and to be secured by, the Series Indenture and the Master Indenture. The Bank further authorizes and approves the loan of the proceeds of the Bonds to Borrowers in order to finance the cost of Public Development Facilities pursuant to the terms and provisions of the Series Indenture, the Master Indenture and the Act. The Bonds are special obligations of the Bank and are not a lien or charge upon the funds or property of the Bank, except to the extent of the pledge and assignment provided for in the Series Indenture. The Executive Director and the Chair of the Bank or the Chair's designee, and each of them, acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Bank, by manual or facsimile signature, the Bonds in accordance with and in the form set forth in the Series Indenture. The Bonds shall bear interest at the rate or rates determined in accordance with the provisions of, mature and be subject to redemption as provided in, and be in the forms set forth in the Series Indenture.

Section 7. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds so delivered by executing the certificates of authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriters in accordance with written instructions executed on behalf of the Bank by the Executive Director or the Chair of the Bank or the Chair's designee, which instructions said officer is hereby authorized and directed, for and in the name of and on behalf of the Bank, to execute and deliver to the Trustee. Such

instructions shall provide for the delivery of the Bonds to the Underwriters upon payment of the purchase price therefor.

Section 8. The Executive Director and the Chair of the Bank or the Chair's designee, and each of them, acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance of the Bonds; without limiting the foregoing, the Executive Director is hereby further authorized to take all actions necessary to direct investment of funds under the Series Indenture.

Section 9. All actions heretofore taken by the officers and agents of the Bank with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officials of the Bank and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents that they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, including the obtaining of a municipal bond insurance policy securing the payment of principal and interest on the Bonds, and otherwise to effectuate the purposes of this Resolution.

Section 10. This Resolution shall take effect from and after its adoption.

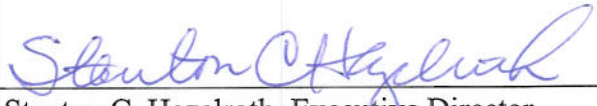
PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on August 21, 2008, by the following vote:

AYES: Berte, Lujano, Sheehan, Rice, Marin

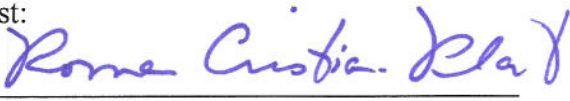
NOES: None

ABSENT: None

ABSTAIN: None

By: 
Stanton C. Hazelroth, Executive Director

Attest:

By: 
Roma Cristia-Plant, Secretary